The Rebuilding of the South Bronx after the Fiscal Crisis

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Abstract: This article explores the rebuilding of the South Bronx from 1977 to 2003. This rebuilding represents an important public policy accomplishment, since the South Bronx was one of the most physically devastated areas in the United States. In terms of economic policy, the rebuilding of the South Bronx defies linear narratives. One the one hand, public-private partnerships, which represent some of the most important features of urban neoliberalism were used heavily in the revitalization of the South Bronx. Community organizations that had been rebuilding areas in the South Bronx in the 1970s and the 1980s were required to conform to the requirements of the market, if they were to continue participating in urban development. On the other hand, the building of housing for low- and moderate-income people is not exactly a neoliberal economic policy, since these housing units were built with public subsidies and regulated by government agencies. In its insistence to rebuild the South Bronx as well as other physically devastated areas, the city government of New York became involved in creative financing by incorporating non-government organizations that were ran by accomplished businesspeople but remained non-profit. And whatever the original intentions of city administrations in building and preserving affordable housing in the South Bronx may have been, the accommodation of so many low income people performing low-paying but essential jobs, has contributed to the making of a more vibrant urban economy, even if these same people are not necessarily the ones benefitting from New York’s economic dynamism.

Acknowledgments: A version of this article was presented at the American History Seminar, Institute of Historical Research, School of Advanced Study, University of London, U.K. I would like to thank Ed Ramsden, Jonathan Bell, Nick Witham, Uta Balbier, Nicholas Grant, and the participants of the seminar for their suggestions. The author is also grateful to Jonathan Soffer for his valuable comments.


Keywords:

South Bronx
Affordable Housing
City Rebuilding
New York City
Public-Private Partnerships
Social Inequality
Racial Segregation
In 1973, New York Times journalist Martin Tolchin characterized the South Bronx as “Dresden after the war,” “a jungle stalked by fear, seized by rage,” “a foreign country where fear is the overriding emotion in a landscape of despair” and a place that is “violent, drugged, burned out, graffiti splattered and abandoned.”\(^1\) Throughout the decade, television crews, film makers, and journalists, from the United States and around the world, reinforced these depictions with visual representations of burned-out buildings, shabby streets, sidewalks with overgrown grass, empty lots filled with garbage, disemboweled fire hydrants, crime stories, and suffering residents.\(^2\) While many of these reports and images focused on the negative and the spectacular, the South Bronx was indeed a distressed urban area. Between 1970 and 1975 the South Bronx lost approximately 43,000 housing units. This housing loss continued unabated with about 7,000 fires erupting in the South Bronx between 1975 and 1977. By 1977 there were more than 3,000 lots and buildings that were considered vacant and covered more than 500 acres. There were also more than 6,900 residential parcels that owed taxes for at least one year and would eventually be subject to municipal takeover (Figure 1). In the 1970s the South Bronx lost 309,471 residents out of 772,589 (Figure 2).\(^3\)

About forty years later, it is difficult to imagine such depictions and figures referring to the Bronx. What was known as the South Bronx has been rebuilt and no one questions the viability of its future. Empty lots and damaged housing are not common. The sound of sirens coming from fire trucks driving up and down major avenues is unusual. So are fires. The population of the South Bronx is growing rather than shrinking. The commercial districts, public parks, neighborhood sidewalks, and public squares of the South Bronx are vibrant while the crime rate is lower than that of many major cities in the United States.\(^4\)

This article examines the rebuilding of the South Bronx from 1977 to 2013. This rebuilding included policies and actions by both the city and federal governments and involved the building or rehabilitation of housing and a liberalization of the flow of immigration after 1965. To be sure these policies, which reinforced each other, were not exactly coordinated. Still, the rebuilding of the South Bronx is a major accomplishment of public policy, the kind that can function as an example to areas still afflicted by urban decline. At the same time, as many other major public policies, the rebuilding of the South Bronx had its advantages and disadvantages. On the one hand, the new housing did not eliminate homelessness, did not accommodate the poorest of the poor, and sometimes required tenant incomes that were higher than those prevailing in the South Bronx. Moreover, the affordable housing subsidies used were not permanent and their renewal required substantial amounts of money to be spent in the 2000s. On the other hand, thousands of housing units were rehabilitated and thousands more were newly built. The South Bronx became a magnet for working class people, mostly immigrants, who were accommodated by a rebuilt infrastructure and a growing housing market that was affordable. In turn these working class populations fueled the economic growth that New York City has been experiencing, even if they were usually not the prime beneficiaries of this growth. In other words, while this rebuilding policy had its limits, it provided some affordable housing to a working class population necessary for the viability of an urban economy.
Figure 1. Map of the South Bronx with blocks in substantial tax arrears as of September 1976. The dots represent entire blocks and not individual properties. Source: City of New York, *Summary: The South Bronx: A Plan for Revitalization* (New York: The City, 1977), 44.
Figure 2. Total population in the South Bronx, 1970-2010. Source: U.S. Census Bureau surveys, 1970-2010.

Figure 3. An image of the Hub, a commercial district in the Melrose-Mott Haven areas of the Bronx. Source: Photo taken by the author in 2004.
Efforts to Rebuild the South Bronx, 1977-1985

In February of 1976, Roger Starr, administrator of Housing and Development, called for the systematic withdrawal of the city government from areas such as the South Bronx and Brownsville suffering from extreme population decline and a reduction in their housing stock. He called his strategy planned shrinkage and urged the mass resettlement of the remaining residents of these areas to other neighborhoods. Starr justified his recommendation by saying that planned shrinkage would make the fiscal crisis less painful to middle class New Yorkers, allowing the city government to concentrate in neighborhoods that had a viable future.5

Starr was influenced by trends, which showed that the South Bronx was rapidly declining. Indeed in the 1970s the South Bronx lost 36 percent of its housing stock (Figure 4) and 40 percent of its population (Figure 2). This meant that one in three housing units was damaged or abandoned. Overall more than 90,000 housing units were no longer officially occupied. Vacant buildings, deserted blocks, shabby streets, and large swaths of empty land dominated the landscape of the South Bronx. This decline began before the fiscal crisis, though the trend of housing and population loss continued into the 1980s.6

Figure 4. Occupied housing units in the South Bronx, 1970-2010. Source: U.S. Census Bureau surveys, 1970-2010.

The fiscal crisis was precipitated in 1975 when financial institutions refused to buy short-term New York City bonds, leaving the city short of cash to cover its expenses. New York avoided filing for bankruptcy after the federal and state governments agreed to provide loans and other assistance while the state began to oversee city finances, threatening to intervene if unorthodox financial practices reemerged. In order to deal with the financial crisis, the city government laid off public employees, reduced the provision of municipal services, and abandoned many of its capital projects such as the building of new housing. City budgets stopped growing during the Abraham D. Beame administration (1974-1977) and even declined between
1978 and 1981 under Mayor Edward I. Koch (1978-1989) (Figure 5).  

Figure 5. City of New York budgets by administration, 1966-2013. Using GDP deflator these figures are adjusted to 2013 constant dollars. In 1966, the first year of Mayor John V. Lindsay, the annual budget was a bit more than $20 billion (almost $3.8 billion in nominal dollars). In 2013, the final year of Mayor Michael R. Bloomberg, the budget surpassed the $70 billion mark. Generally, as the economy grew so did the budget. Source: Annual Report of the Comptroller of the City of New York, 1966-1979 and the Independent Budget Office of the City of New York, Agency Expenditures, 1980-2014 (New York: The Office, 2015).

While numerous public officials including Mayor Beame denounced Starr’s planned shrinkage suggestion as inhumane and impractical, these ideas of abandoning the South Bronx were not unusual; they represented the dividing line between two conflicting visions of New York’s future. In the 1970s, the population of New York City declined for the first time in its history. The city lost 823,212 people amounting to 10.4% of its population (Figure 6). Some members of city’s elite wanted to hasten this contraction, so that the city government could allocate its limited resources in viable areas. Felix G. Rohatyn — a banker who was heading the Municipal Assistance Corporation (MAC), which during the fiscal crisis was authorized by the state to sell bonds to meet the borrowing costs of the city — sided with Starr and argued that blighted areas of New York should be bulldozed and rebuilt as industrial areas. In 1978, U.S. Senator from New York Daniel Patrick Moynihan opposed the reconstruction of parts of the South Bronx with federal funds stating: “People in the South Bronx don’t want housing or they wouldn’t burn it down. It’s fairly clear that housing is not the problem in the South Bronx.”
Moynihan subscribed to the idea that residents of areas like the South Bronx while pursuing their own selfish interests were responsible for false fire alarms, arson, and other forms of housing destruction. Though not shared by Koch, these conclusions made large-scale plans to rebuild the South Bronx more difficult to justify.9

The only large-scale housing project to be completed during this period involved the Morrisania Air Rights Houses. This project was planned in the early 1970s when the city government secured funding from the Department of Housing and Urban Development (HUD) for its construction. However, it was not possible to find a developer willing to build the project for the amount appropriated. This changed in 1977 by which time construction costs had dropped because of the economic slowdown. It was constructed in the 1977-1980 period. Morrisania Air Rights was built on a platform on top of the Penn Central railroad. It comprised of three buildings that covered the length of five blocks between East 158th and East 163rd Streets west of Park Avenue and contained 843 low-income housing units.10

The Morrisania Air Rights project showed a new determination by city officials to revitalize the South Bronx. In the spring of 1977, Bronx Borough president Robert Abrams and chairman of the City Planning Commission Victor Marrero prepared a redevelopment proposal and sent it to the secretary of HUD Patricia Harris. While the proposal and the discussions that followed went nowhere, President Jimmy Carter and Harris visited the South Bronx that October. Carter requested a new rebuilding plan. Recycling older proposals, the Beame administration sent a plan in the end of 1977. It included a five-year $870 million rebuilding, employment, and commercial development plan with the federal government paying something between $658 and $738 million. Given that Beame had been defeated in his reelection bid that September, it would be up to the incoming Mayor Koch to implement this rebuilding.11

Figure 6. Population in New York City, 1940-2010. Source: U.S. Census Bureau surveys, 1970-2010.
In the first three months of 1978, the Koch administration made its own South Bronx revitalization plan that would cost more than $1 billion (revised later to $1.5 billion). Koch appointed Lloyd M. Kaplan as the project’s coordinator. However, Herman Badillo one of Koch’s deputy mayors took charge of the project. Badillo who had served as housing commissioner (1962-1965), Bronx Borough president (1966-1969), and congressman (1971-1977), resigned his U.S. House of Representatives position in order to become deputy mayor. He met with Carter and argued that the rebuilding of devastated low income neighborhoods across the United States required the construction of low-density housing for homeowners. Given that high density housing occupied by renters was viewed as a cause of the South Bronx’s decline, this proposal sought to address the problem by completely remaking the built environment and tenancy of the area. Anticipating that most of the people willing to live in the South Bronx could not afford to pay mortgages and large down payments, Badillo recommended state subsidies. He insisted that the South Bronx only needed new housing and tenants, since it already had the water systems, sewers, subway stations, schools, and other infrastructure necessary for neighborhoods to function. The federal government pledged a $56.5 million first installment in April of 1978, though most of the money was earmarked for economic development. The city insisted in its housing plan and Badillo recruited Edward J. Logue to be the executive director of the South Bronx Development Organization (SBDO). Logue had previously been in charge of urban renewal in New Haven (1954-1960) and Boston (1961-1967). He went on to head New York’s Urban Development Corporation (UDC) between 1968 and 1975. Although the UDC, a public benefit corporation that could issue moral obligation bonds, almost defaulted in its debt in 1975 and was bailed out by the state, thousands of housing units were built in various parts of the state including the city under Logue’s leadership. Logue was viewed as someone with the ability to develop housing for low-, moderate-, and middle-income families that could be self-sustainable. The SBDO was also involved in economic development by attracting industry to abandoned industrial areas.12

Badillo’s rebuilding plans failed. He selected the area around Charlotte Street, which had been toured by Carter, as the first redevelopment site and proposed the building of a 732-unit, low-rise cooperative with a cost of $32 million. Robert F. Wagner Jr. who had become chair of the City Planning Commission declared his opposition to the project, arguing that it would be isolated from sound neighborhoods. Wagner favored the expansion of viable neighborhoods rather than building in the middle of nowhere. He came around to support the project only after pressure by Koch who promised to also rebuild the area around Charlotte Street, so that a continuous neighborhood could be formed. The members of the Board of Estimate expressed their reservations as well, but ended up approving the project by a vote of 10-1 in November of 1978. However, the project remained controversial. In February of 1979, the Board of Estimate met again for what appeared to be a procedural vote over the closure of some streets in order to create a superblock in the Charlotte Street development area. In this meeting, the Board of Estimate voted against the street modification by 7-4 and effectively killed the project. The members of the Board of Estimate turned around for various reasons including political ones. However, they also worried that the Koch administration was placing too much emphasis on the South Bronx at the expense of other devastated areas in their boroughs. Portions of Brooklyn and Queens were experiencing their own severe urban decline problems that were worsening because of the city’s reduction in the funding of municipal services, infrastructural maintenance, and capital projects.13

This vote was the catalyst of a number of developments that defined the rebuilding of the
South Bronx until 1985. Koch angrily denounced the opponents of Charlotte Street development and cancelled the entire seven-year $1.5 billion South Bronx rebuilding plan. Badillo removed himself from the South Bronx effort and resigned as deputy mayor a few months later. In August of 1979, the Koch administration announced a new $375 million rebuilding plan, which was characterized by Badillo as “the most cowardly kind of retreat a Mayor could indulge in.” The editors of the *New York Times* praised the new plans for the South Bronx, which were drafted with Logue’s input: “Mr. Logue also urges plans that would consolidate rather than expand the borough’s population and economic activity; it would be futile to rebuild for a population as large as that of the 1940’s.” Logue understood that even the commitment of $375 million by the city was questionable and curtailed his plans. After all, his office had been operating with $4 million each year since 1978. The appropriation of an amount higher than this for the following twelve months appeared unlikely. To be sure, there were other funds by other agencies that were earmarked for the South Bronx, even if those were also meager.

Logue decided to abandon top-down development that characterized Badillo’s approach and pursue projects with a number of community development corporations (CDCs). CDCs emerged in the late 1960s after an amendment to the Economic Opportunity Act of 1964 encouraged the collaboration of the private sector with the government and communities in order to tackle the problems of urban poverty. It was during this period that Father Louis Gigante’s South East Bronx Community Organization (SEBCO) operating mostly in Hunts Point was established, so that it could participate in the Model Cities program. The emphasis of these early CDCs was economic development with housing being only one aspect of their activities. The restructuring of federal housing policy under Richard Nixon shifted the CDCs’ focus to housing. In 1974, the Community Services Act formally recognized CDCs and provided them with Community Development Block Grants primarily used for capital investments. In 1978, the Community Reinvestment Act made it easier for low income communities to access capital from financial lenders and this further encouraged housing development by CDCs. Between 1977 and 1981, SEBCO in partnership with developer Jerome Chatsky developed twenty-six buildings comprising of 1,070 housing units. Other CDCs in the South Bronx included the Bronx Frontier Development Corporation, Banana Kelly, and the People’s Development Corporation. They did not have as many projects as SEBCO, but they were determined to make a difference in the blocks that they covered. These organizations operated in their own neighborhoods, used sweat equity, and received subsidies from the city, state, and federal governments. They collaborated with private developers and aimed at the rehabilitation (and sometimes new building) of well-managed, self-sustainable, and adequately-maintained buildings. CDCs took the lead in developing the South Bronx during this period sometimes cooperating with Logue and the city government and sometimes pursuing their own projects in partnership with the federal government. However, after a substantial influx of federal money in 1980 when Carter was running for reelection, funding declined.

Lacking the funds to substantially rebuild the South Bronx, in the early 1980s the city government in alliance with foundations and CDCs resorted to image-making, so that the area would at least appear attractive. The Bronx Land Reclamation Project, the first far-reaching effort to regenerate the image of the South Bronx, was led by the Open Space Task Force and Logue’s SBDO. Organizations such as the Rockefeller Brothers Foundation, the J. M. Kaplan Fund, the Ford Foundation, and the Fund for the City of New York offered grants to CDCs such as Banana Kelly, the Bronx Frontier Development Corporation, and the People’s Development Corporation to create community gardens, urban farms, and green playgrounds. In terms of land
coverage, the most extensive portion of the program included the planting of wildflowers in hundreds of acres of desolate neighborhoods. The CDCs and their funders viewed land reclamation as a temporary measure. They thought that the community gardens, urban farms, and flower gardens would eventually give way to redevelopment. The second important image-making effort involved color vinyl decals that covered bricked up windows with pictures of curtains, shutters, flowerpots, and venetian blinds (Figure 7). Though a citywide program, the beautification of buildings visible from the Cross-Bronx Expressway received much publicity by city agencies. Robert Jacobson, director of the Bronx office of the City Planning Commission, argued that “the image that the Bronx projects — and projects to potential investors — is the image you see from that expressway, and our goal is to soften that image so people will be willing to invest.” The window-dressing project was ridiculed by the mass media, and Koch found himself writing a letter to the New York Times defending the project:

We are simply trying to face the reality that New York cannot rehabilitate structurally sound buildings or demolish structurally unsound buildings as fast as we would like. We want to use decals as a way to make buildings waiting for either demolition or rehabilitation more attractive to communities and less attractive to vandals in the interim.

For Koch, image-making did not signify the further abandonment of the South Bronx by the city government, but an effort to improve its appearance until more money became available, though few shared his optimism that he would be able to find the funding to fix a broken borough.
Logue was interested in building housing more than in image-making projects and decided that he could activate the revival of the South Bronx by developing and marketing single-family suburban type houses with white picket fences. The SBDO had already been pursuing low-rise, home-ownership projects in a few select areas, subscribing to the idea that the South Bronx had too many rental properties and that this contributed to its dramatic decline. Logue made his priority land coverage rather than housing density, though the existing developments were not getting much publicity. He felt that the controversial Charlotte Street area that had been visited by various politicians and television crews, promised to change this, especially if the kind of housing built there resembled the suburban housing of Long Island and Westchester County. Logue proposed to buy houses manufactured elsewhere and ship them to the South Bronx; SBDO received about $300,000 from the Local Initiatives Support Corporation (LISC) — a philanthropic organization founded by the Ford Foundation — to build a couple of houses as models. Logue also approached the Mid-Bronx Desperadoes Housing Corporation (MBD) to become partners of the project. The MBD was formed in the mid-1970s by a number of churches, tenants’ associations, and other civic organizations. Father Gigante advised the group at various stages. The MBD used Gigante’s developer Chatsky to rehabilitate Vyse Avenue between East 173rd and 174th Streets. After Vyse Avenue, Logue partnered with the MBD because Charlotte Street was their territory. With the advice of the MBD, Logue hired members of the Nighthawks gang to guard the Charlotte Street development area, so that the housing models would not be vandalized. Eventually, about ninety ranch houses were built in the area. The project received much publicity, even when only two housing models occupied the site. However, this project led to Logue’s demise as developer.21

Logue had been a great builder but not a great administrator. When funding was plentiful as in most of his previous jobs, Logue could complete even the most difficult projects without minding the costs. He usually focused on the big picture, allowing others in his organization to deal with finance, management, and day-to-day operations. Lack of money in the South Bronx forced Logue to become more of a manager and to operate in a complicated environment of various actors pursuing their own interests. In Charlotte Gardens, Logue hired an inefficient contractor who caused long delays. Logue replaced the contractor, but this resulted to cost overruns. Making the houses elsewhere and shipping them to the Bronx was not as cheap as Logue originally thought contributing to even higher costs. In the end, it took three builders to finish the Charlotte Gardens houses. When it appeared that the government might cancel the remainder of the program, Logue ordered the construction of the concrete foundations for eighty houses, which cracked because of the cold winter temperatures. And such problems were not exclusive to Charlotte Gardens. SBDO was in charge of another project on East 169th Street in Morrisania. Eighty-three families put money down in 1982 to buy rowhouses. However, more than two years later, no houses were built other than the original two models while the developer had spent all the appropriated money and Chemical Bank was auditing the project before deciding to lend more. Logue found this to be unusual and said that “somebody owes somebody $3 million, and there are 81 homeowners hanging by their thumbs.”22 In the spring of 1984, the federal government refused to automatically renew SBDO’s funding as in previous years. Logue resigned from his post a few months later and the MBD took over the Charlotte Gardens project.23

In his efforts to jumpstart urban development in the South Bronx, Logue embraced suburban-style homeownership in an area that had traditionally been renter-occupied and high density. Logue claimed that he got the idea of building single-family homes in Charlotte Gardens
after observing the admirable behavior of homeowners who in the midst of deplorable conditions in the South Bronx took care of their houses and their neighborhoods. As Benjamin Holzman has demonstrated in his piece in this section, the supposed superiority of owners over renters as caretakers of property was an article of faith among many politicians and realtors. In the South Bronx, Logue’s claim was curious given that 95.7 percent of housing in 1980 was occupied by renters. If anything, they deserved credit for holding neighborhoods together. However, the assumption that homeowners functioned as anchors that stabilized neighborhoods persisted, even when it became obvious that this was not realistic in the South Bronx. This assumption is part of homeownership ideology in the United States under which homeowners are viewed as better citizens taking care of their community.

Regardless, Logue’s approach had been admirable, though in the aggregate the South Bronx continued to lose housing units in the first half of the 1980s. Anyone of his stature would have resigned in 1979 when it became clear that the grand-scale plans to rebuild the South Bronx were discontinued. But Logue was optimistic; he felt that he could make a difference and that eventually his office’s successes would convince government agencies to rebuild the South Bronx. In fact, Koch and his close aides began to think of a more ambitious housing plan that would require large capital expenditures partly because Logue had shown that the possibility of revival existed and partly because low income areas in the city continued to lose housing units and this was interfering both with economic growth and the image of the city.

The Rebuilding of the South Bronx, 1986-2001
In his 1985 state of the city, Mayor Koch announced that the city government would become more directly involved in the rebuilding of neighborhoods and spend $4.4 billion in order to build or rehabilitate 100,000 housing units in five years. A few months later, the administration amended the plan into a ten-year undertaking that would produce 250,000 housing units. In 1989, the plan was amended once more committing $5.1 billion and promising the rehabilitation of rebuilding of a total of 252,000 housing units by 1996. These amendments of the original plan showed the extent to which administration officials were serious about the rebuilding of low income neighborhoods in New York City, given that there is no such thing as a grand-scale urban development plan that is not changed and revised several times. In the end, the completion of this neighborhood rebuilding required the commitment of three administrations.


The timing for such an ambitious housing plan was right. After 1981, tax revenues and other income for the city increased while debt service expenditures declined. In the 1982-1984 period budgets stabilized after four years of subsequent and painful declines. Then they began to grow substantially with a 7.1 percent growth in 1985 and another 4.4 percent in 1986 (Figure 5). Moreover, after a successful reorganization of the Fire Department structural fires which had been the cause of much housing destruction declined, reaching a level not seen since the early 1960s (Figure 8). At the same time, affordable housing was becoming more difficult to obtain while thousands of buildings remained damaged. The Koch administration viewed this rebuilding as an economic development project that would improve the image of the city, rebuild neighborhoods, provide affordable housing, and solidify the mayor’s reelection chances in 1989 for an unprecedented fourth term.
Figure 8. Structural fires in New York City, 1959-2013. While these are citywide figures, the great majority of structural fires erupted in low income areas such as the South Bronx, devastating their built environment. Structural fires involve fires in buildings. They do not include brush fires, automobile fires, transit system fires, or garbage fires. Source: Fire Department Annual Reports and other documents of the City of New York, 1959-2013.

Despite the city’s growing economy, the Koch administration wanted to rely on public authorities for the financing of large infrastructural projects including housing, so that the city government would not be burdened with additional debt. This plan did not work out as anticipated. In 1984, the State of New York created the New York City Municipal Water Finance Authority (MWFA), a public benefit corporation, to finance the capital needs of the water and sewer system of the city. This action freed up hundreds of millions of dollars in the borrowing capacity of the city. Koch lobbied for the creation of more such corporations to repair bridges and build garbage disposal facilities, but the state legislature did not acquiesce. At the same time, city officials expected another public benefit corporation, the New York City Housing Development Corporation (HDC) to market tax-free bonds to finance most of the new housing after an increase in the corporation’s borrowing capacity; however, this did not happen at the levels expected. The HDC was founded in 1971 by the state legislature after the City of New York exhausted its constitutional capacity to incur additional debts for housing and urban development. The HDC was viewed as a way to get around this constitutional limitation by selling bonds to private investors without the city being directly responsible for them. Indeed, the HDC sold moral obligation bonds and used the proceeds to make loans to owners of multiple dwellings or to housing companies for the rehabilitation or new construction of rental housing for low-, moderate-, and middle-income people. The federal Tax Reform Act of 1986 eliminated many tax incentives for the production of rental housing and this undermined the Koch
administration’s expectation that the HDC would finance large portions of its housing plan. More than this, a severe economic slowdown in New York City, national economic problems, and the savings and loan crisis, made it more difficult for moral obligation bonds to be issued. As such the HDC’s bond issuance declined after 1985 for three subsequent years reaching the low figure of $11,430,000 (19,661,523 in 2013 dollars) in 1988. Despite some recovery, the levels of bond issuance remained low at a time that the city was pursuing its ambitious housing plan and reached the figure of $0 in 1992 (Figure 9). The city’s capital and operational budgets had to pick up the difference in order for the housing plan to continue at the scale originally envisioned. The existence of the MWFA allowed these increased expenditures.29

Figure 9. HPD operational and capital expenditures as well as HDC proceeds from the sales of bonds, 1979-2013 in millions of dollars. Using GDP deflator these figures are adjusted to 2013 constant dollars. Source: Annual Report of the Comptroller of the City of New York, 1979, the Independent Budget Office of the City of New York, 1980-2013, and the Annual Report of the HDC, 1979-2013.

The Ten-Year Housing Plan was implemented by the Department of Housing Preservation and Development (HPD). The HPD is a city agency in charge of developing and maintaining affordable housing.30 At the time, the agency’s operating expenses covered the management of in rem properties (tax-foreclosed buildings taken over by the city), the improvement and maintenance of existing housing, tenant assistance, demolition or seal up of damaged buildings, as well as administrative expenses and personnel salaries. The HPD’s capital budget, which was financed through the sale of bonds, covered mostly the gut rehabilitation of existing structures and the building of new ones. The HDC, viewed as a sister organization, was
closely collaborating with the HPD, providing funds that were entirely raised from non-city sources. However, the Ten-Year plan was mostly financed by HPD’s capital budget. Some money also came from the HPD’s operating budget. The plan also used federal funds, state funds, cross-subsidies from luxury projects, a contribution from the World Trade Center, and money from the Battery Park City Authority. Whether it was operating or capital funds, the HPD also paid for some of the infrastructural needs of the rebuilt areas and this included the repair of water, power, and sewage systems as well as street paving and sidewalk reconstruction.31

In 1986, the federal government created the Low Income Housing Tax Credit (LIHTC), which became the largest subsidy instrument for the production of affordable housing, after the elimination of project-based Section 8 housing. Through a bidding process, housing developers applied to local housing finance agencies for these tax credits to develop qualified properties. Developers who were awarded tax credits sold them to investors to raise capital for their projects. Investors received a dollar-for-dollar credit toward their federal tax liability for ten years. This system provided capital for the construction or rehabilitation of buildings, but not for their operation, meaning that rents were too expensive for low income people.32

The City of New York heavily relied on the LIHTC in its Ten-Year Housing Plan, though the HPD and the HDC used additional programs to make the housing more affordable and to prolong the affordable status of the developments. Besides providing the land and the buildings to be rehabilitated, the HPD used federal Section 8 vouchers that subsidized the rents of low income people. Additional subsidies that included the financing, operation, and capital improvements of some buildings extended the early generation of LIHTCs (1986-1990), which expired after fifteen years. In 1990, U.S. Congress added a second fifteen year affordability period for new LIHTCs.33

This system completed a policy shift from community development to institutionalized public-private partnerships. Public-private partnerships relied on powerful nonprofit umbrella intermediaries that managed housing programs by facilitating complicated relationships among government agencies, foundations, CDCs, community organizations, faith-based organizations, private owners, developers, builders, financial institutions, insurance companies, and investors, in contrast to CDCs often funded by HUD. The HPD worked in partnership with these nonprofit intermediaries whose staff became familiar with the landscape of low income neighborhoods, responsible landlords and developers, and fundraising techniques. Nonprofit intermediaries acted as regulators safeguarding the interests of investors by requiring CDCs to conform to paperwork and accounting standards, so that irregularities could be avoided. They also became involved in the LIHTC scheme by keeping track of the operation of low income developments and making sure that they complied with federal expectations, so that the tax benefits of investors would continue. Developers tried to meet the requirements of these nonprofit intermediaries, because they wanted to continue receiving LIHTCs and other public and private funding for new developments. While this independent safeguarding saved public money, intermediaries maintained stronger connections with landlords rather than tenants.34

The South Bronx became a major location for low income housing development during the Ten-Year Housing Plan with many nonprofit intermediaries operating there. One such nonprofit intermediary was the Community Preservation Corporation (CPC). Founded by David Rockefeller, CEO of Chase Manhattan Bank, in 1974 the CPC convinced major banks in New York to assist owners repair their apartment buildings located in working class neighborhoods. In the 1980s the CPC intensified its activities and during the Ten-Year Housing Plan it collaborated with the HPD in the Vacant Buildings Program. Local landlords with good records were selected
to bid for vacant properties, rehabilitate them, and become their owners. The CPC became the organization that streamlined a complicated process and provided these owners with technical support, loans, mortgages, government funds, and tax credits. The LISC did something similar. It selected a few reliable CDCs, helped them acquire vacant city properties for one dollar each, and marketed financial packages of LIHTCs for all the CDCs in concert to raise money for construction. The city government covered the rest of the costs and offered low interest mortgages to buyers. The Enterprise Foundation (EF) was another intermediary that used a number of nonprofit organizations to develop areas under the state’s Housing Trust Fund program.35

While the nonprofit intermediaries usually maintained good relations with the city government, faith-based organizations that were affiliated with the Industrial Areas Foundation (IAF) did not during the Koch administration. Such organizations under the name of East Brooklyn Churches had been successful in building and rehabilitating thousands of homes in Brooklyn under the Nehemiah program, which received assistance by the Koch administration in the early 1980s. When the Ten-Year Housing Plan was launched, faith-based organizations of the South Bronx that were affiliated with the IAF tried to bring Nehemiah to their borough. The city government refused to offer the group a contract to rehabilitate Site 404 and presented alternative development locations. The South Bronx churches rejected this offer as inadequate and declared war against the Koch administration.36

The Nehemiah case in the South Bronx showed the extent to which not all organized interests were accommodated under this housing plan by the Koch administration. Powerful intermediaries enjoying the financial support of wealthy sponsors and institutions did well. Grassroots organizations that had previously been involved in community development were frequently avoided by the government unless they linked with a nonprofit intermediary, partly because the city administration, was embroiled in a number of scandals and wanted to make sure that the housing program remained clean, while at the same time reducing bureaucratic safeguards that slowed housing construction. The New York City Housing Partnership (NYCHP), a nonprofit intermediary whose president and CEO Kathryn S. Wilde was closely allied to Rockefeller. Wilde had heavily criticized the city government for bureaucratic hurdles to actually constructing housing. Despite these criticisms, the city administration selected the NYCHP after the winner of the bid to develop Site 404 withdrew, partly to avoid dealing with IAF and the South Bronx churches, and partly because of hopes that Wilde’s organization would speedily increase the number of completed units.37

The Ten-Year Housing Plan was conceived by the Koch administration at a time of extreme criticism over its handling of the homeless crisis of New York City. In the 1980s, the number of homeless people visible in public space increased substantially, despite the city’s extensive construction of homeless shelters after emergency court orders. Homeless advocates argued that gentrification contributed to the displacement of low income residents from their homes and that the city government did not do enough to prevent the conversion of Single Room Occupancies (SROs) and other inexpensive dwellings into luxury housing. More than this, the budgetary austerity that Koch pursued between 1978 and 1984 added to the social and economic problems of thousands of low income New Yorkers while housing in working class neighborhoods was being destroyed. As president of the Borough of Manhattan, Dinkins emerged as one of Koch’s fiercest critics, especially on issues concerning housing and homelessness. Dinkins criticized Koch’s housing plan for excluding the poorest New Yorkers and the homeless. He asked James R. Dumpson, an expert on poverty who had held high posts in
all city administrations since 1959, to chair a task force on the homeless. In a report released by Dinkins’s office, the task force called for a substantial increase in housing allocated to the homeless and for a restructuring of the welfare shelter allowance. In fact, Dinkins wanted to make the new housing truly affordable and to have social service agencies rather than private owners operate it. Koch administration officials brushed aside these criticisms and claimed that Dinkins’s housing proposals were tremendously expensive; Koch always viewed his housing plan as an economic development mechanism and dismissed government-operated housing as a welfare program. Although some of the housing built went to homeless families, throughout his tenure Koch attacked the homeless as being unworthy, refusing to work, and taking advantage of valuable city resources.38

In 1989, Dinkins constructed an electoral coalition that he called a “Gorgeous Mosaic” consisting of blacks, Latinos, and liberal whites and defeated Koch in the Democratic primary; Dinkins went on to prevail in the general election against Giuliani and become New York’s first African American mayor. Koch’s dream of being elected for a fourth term was not realized because in the late 1980s the city’s economy faltered, racial antagonism persisted, and crime increased. Koch’s continuous verbal attacks against African Americans convinced many New Yorkers that he could not unite the city. In the mayoral campaign, Dinkins spoke of racial rapprochement and rejected Koch’s divisive rhetoric. Dinkins also criticized Koch’s half-hearted homeless policy, his neglect of low income populations, and the city administration’s tax giveaways to corporations and real estate developers.39

As mayor, Dinkins enlarged the Ten-Year Housing Plan and modified it. Despite an erosion of the city’s finances and the inability of the HDC to market bonds at optimal levels, the Dinkins administration spent more than double in HPD capital funds than the Koch administration. This amounted to an average of $895,058,756 (adjusted to 2013 dollars) spent per year in 1990-93 as opposed to $359,300,121 per year in 1987-89 (Figure 9). To be sure, capital expenses could have increased had Koch remained mayor and the 1990 budget was initially appropriated by his administration, though Dinkins maintained it and even enhanced it. Moreover, the HDC sold $354,010,956 in bonds (adjusted to 2013 dollars) per year in 1987-89 as opposed to $246,543,816 per year in 1990-93. Still, Dinkins was quite committed to the success of this housing plan and spent more. Dinkins also modified the housing plan by making thousands of units more affordable, by setting aside more of the housing for homeless people, and by directly involving more CDCs.40

The city administration’s actions were influenced by arguments that approximately two-thirds of the housing units constructed under Koch were market-rate and allocated to middle and upper middle class people. While such reports overstated the situation, the Koch administration did not provide as many subsidies for the operation of housing, meaning that many low income people could not afford it. The Dinkins administration modified this and changed the character of the housing plan. By 1998, low income households occupied two-thirds of the government constructed or rehabilitated housing units. Moderate income households occupied a quarter while the middle class lived in less than 10 percent of this housing. But the Dinkins administration encountered many problems. Housing production and rehabilitation during the Koch years was easier because large parcels of abandoned land could be redeveloped and developers took advantage of economies of scale. From 1990 onward, mostly smaller, more scattered sites remained available for development, which increased costs. Moreover, the public-private partnership structure that rose in the 1980s persisted and community input remained limited. Many of the CDCs, which used to be grassroots organizations were no longer representatives of
local resident interests, but had evolved into organizations characterized by market-type relationships. As the city’s economy deteriorated even more, Dinkins was forced to cut the capital budget for housing. While capital expenditures for housing increased by 50.5 percent in 1990 and another 16.5 percent in 1991, they declined by 9.3 percent in 1992 and another 34.1 percent in 1993 (Figure 9). This negatively affected many community-based projects, given that smaller CDCs lacked the financial resources of nonprofit intermediaries and private developers. Housing for homeless people also proved too costly and was not as extensive as envisioned.41

The South Bronx benefitted in the Dinkins years and received an increased allotment of apartments. Much of this was the doing of Felice L. Michetti who was appointed commissioner of HPD. Michetti was a housing expert, served as first deputy commissioner of HPD in the last four years of the Koch administration, and had championed low income housing initiatives by community groups at a time that the city government was unenthusiastic toward them. Under Dinkins, Michetti who had grown up in the Bronx and attended Fordham University, used her connections with local organizations to smooth out relations with the South Bronx churches that had been alienated by Koch. While she did not renegotiate the contract of Site 404, she offered them better alternative development sites under more generous terms than Koch. Other South Bronx CDCs were also given more deals and added responsibilities.42

In 1993, Giuliani defeated Dinkins and was elected mayor. Giuliani had accused Dinkins of perpetuating the city’s involvement in housing ownership and vowed to seek private participation. His administration made the privatization of city-owned housing a priority. Indeed in 1994 the City of New York owned 30,358 housing units. By the end of Giuliani’s tenure as mayor in 2001 this number had decreased to 8,299. While too many buildings were sold hastily and cheaply, fewer city-owned buildings allowed the HPD to use its operational budget for other purposes. Giuliani also slashed the HPD capital budget initially. Continuing problems with city finances did not allow additional spending, though Giuliani was also not as interested in having the government construct housing. He did not cancel the Ten-Year Housing Plan, but he reduced the capital commitments of the city. At the same time, these capital budgets stabilized after the mid-1990s and the city continued to rehabilitate or construct some housing throughout his mayoralty. Adjusted to 2013 figures, HPD’s annual capital expenditures did not go below $318,359,800 and in the end the Giuliani administration averaged $424,122,739 annually, which was higher than the 1986-89 figure (Figure 9). In some ways, the Ten-Year Housing Plan went beyond its original duration and became permanent, though expenditures never reached the high levels of the Dinkins years, the rehabilitation or construction of housing became more expensive, some of the money was spent on the preservation of affordable housing, and Giuliani did not consider the physical rebuilding of neighborhoods by the government as an accomplishment.43

According to surveys of the U.S. Census Bureau, between 1980 and 2000 the South Bronx gained 17,423 units. In the 1980s, the South Bronx lost 2,575 units because the housing starts of the late 1980s under the Ten-Year Housing Plan did not offset the losses. In the 1990s the South Bronx gained 19,998 units (Figure 4). This number represents a net gain given that housing is always lost. According to Alex Schwartz between 1986 and 1997, the City of New York under the Ten-Year Housing Plan funded housing starts for new construction and gut rehabilitation of 22,397 units in the South Bronx. Between 1994 and 2000, the HDC funded the creation of 2,350 housing units. Overall, 53,706 housing units benefitted from New York City capital programs in the South Bronx in 1987-2001. From these 31.4 percent were vacant and the overwhelming majority, 83.7 percent underwent major rehabilitation. While only 16.3 percent of the units were newly constructed, it is always more expensive to develop new buildings and not
desirable to continue having thousands of vacant ones. These gains were nowhere near the 90,394 housing units lost in the 1970s, though the city government made a calculated decision to rebuild at lower densities and focus on land coverage. Indeed by the late 1990s, one no longer encountered the vast landscapes of abandonment that used to define the South Bronx. The population of the South Bronx grew from 463,118 in 1980 by 19 percent to 550,945 in 2000 (Figure 2).  

**Housing in the South Bronx under the New Housing Marketplace, 2002-2013**

In 2013, in his weekly radio appearance on WOR-AM, Mayor Michael R. Bloomberg claimed that lack of affordable housing is an indicator of a vibrant economy, because so many people find the city attractive and want to live there. Although Bloomberg had a valid point, many housing advocates characterized his arguments as insensitive, since that the city lost thousands of affordable housing units from 2002-2013. For many New Yorkers the cost of housing became a dominant campaign issue in the mayoral election of 2013, given that housing expenditures increased during Bloomberg’s mayoralty (Figure 10).

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**Figure 10. Gross rent as a percentage of household income, 1999-2013**

Gross rent as a percentage of household income in the South Bronx and New York City, 1999-2013. This figure shows the percentage of households paying more than 30 percent of their income on rent as well as the percentage of households paying more than 50 percent of their income on rent. Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of a housing affordability problem. Source: U.S. Census Bureau survey of 2000 and the Three-Year American Community Surveys of 2007-2013.
Michael Bloomberg was elected mayor in 2001 and remained in office from 2002-2013 after winning reelection twice. Unlike his predecessors, Bloomberg was a multi-billionaire businessman with no political experience. In the mayoral elections Bloomberg used his own personal wealth and outspent his opponents by tens of millions of dollars. While New York City had taken a neoliberal political-economic path since the Koch administration, under Bloomberg this neoliberal vision reached new heights with the corporate world having more direct influence in government. Bloomberg filled many of the crucial positions that dealt with economic development, large projects, and overall policy with affluent members of the corporate world. These appointees favored big businesses and developers and sought to attract to the city more large corporations and affluent people from around the world. At the same time, city budgets continued to grow (Figure 5) with Bloomberg viewing the provision of quality municipal services as a foundation of economic growth.46

Wanting to remake the physical landscape of New York City and eager to deflect criticisms that he only favored private market-rate development, Bloomberg developed his own ambitious housing plan. In 2002, he announced the New Housing Marketplace Plan (NHMP), pledging to preserve or create 65,000 affordable housing units in five years. In 2005, he amended the NHMP into a ten-year plan that would preserve or create 165,000 units of housing by 2013. Much of the plan focused on the preservation of existing affordable housing whose subsidies were going to expire. Besides the construction of rental housing for low- and moderate-income people, this plan included a major homeownership component for moderate-, middle-, and even upper-middle income people. The plan used the remainder of city-owned land to build housing and even pursued strategies to find new land through rezoning, land banking, and public-private partnerships. The city administration also provided generous incentives and tax breaks to the private sector, so that market-rate housing could be built and even tried to harness these entities to include affordable housing in their developments. However, this was largely voluntary and most developers chose not to include such housing in their luxury condominiums. The NHMP was financed by the HDC and the HPD. The HDC was given permission to increase its borrowing limit and to borrow against its equity. Taking advantage of a growing economy, a robust housing market in New York, and a good fiscal management record, the HDC became the nation’s largest housing finance agency. Its ability to market bonds continued even during the Great Recession. As Marc Jahr, president of the HDC from 2008-2014, stated “during the downturn, when nobody was building in Manhattan, we were financing construction in the neighborhoods . . . Cranes that were absent from the Manhattan skyline were up in the Bronx because of our financing.”47 On the average, the HDC issued bonds and notes worth $1,336,286,126 each year (adjusted to 2013 figures) in the 2002-2013 period. Some additional money came from the HDC’s corporate reserves and other sources. The HPD, which worked closely with the HDC, spent on the average an additional $434,118,389 each year from its capital budget. When combined, these amounts were higher than those spent annually in the 1986-2001 period for housing (Figure 9). However, the construction of new housing and even rehabilitation cost significantly more in 2002-2013 than before.48

Bloomberg administration officials heralded the NHMP as the largest municipal housing effort in the history of the nation, though the meaning of this statement remains unclear. It is possible that more money was spent for the NHMP than any other municipal housing program in the United States, but this did not translate into the largest housing production. Between 2004 and 2013, the NHMP preserved the affordable status of 106,540 of housing units and built 45,811 new ones. In addition, 39.1 percent of the housing built under the NHMP was for
homeowners. The cost of this housing for homeowners was a bargain while regulations would keep these prices affordable for a number of years. At the same time, despite their affordability, these housing units were not for low income populations and barely served people with moderate incomes.49

In the first decade of the twenty-first century, the number of occupied housing units in the South Bronx increased by 16,311 (Figure 4). By 2013 the NHMP had helped finance approximately 37,000 affordable units in the South Bronx (Figure 11). Less than half were new construction with the majority being existing affordable units whose status was preserved. Almost all of this housing comprised of rentals for low- and moderate-income people. Indeed out of 194,536 occupied housing units in the South Bronx, only 12,790 were owner-occupied in 2010 slightly up from 12,162 in 2000. The population of the South Bronx increased by 7.4 percent in the 2000s, reaching the figure of 591,661 people (Figure 2).50

Figure 11. New construction in the South Bronx under the New Housing Marketplace Plan. Source: Photo taken by the author, 2007.

The citywide loss of affordable housing in the 2000s did not affect the South Bronx significantly, because the city government stepped up and preserved almost all of the units whose affordable status was expiring. Indeed only 8.9 percent of all rentals were under no regulation in 2002; by 2011 this figure had increased to 11.5 percent, which is not substantial and could be a transitional matter, given that the NHMP was still in the process of preserving the affordability of housing units. The city administration took this road in the South Bronx because of fears that deregulated housing could fail. There were also fears of a humanitarian crisis, given that more than 70,000 low income people could potentially face displacement in the case of
deregulation. The Great Recession further dissuaded many landlords from deregulating, given that cost-benefit analyses showed that accepting subsidies from the government in the South Bronx was a sounder decision.51

While the great majority of housing remained regulated in the South Bronx, the rise in housing costs represents a worrisome trend. Up until the early 2000s increases in the median household income matched and even surpassed increases in median gross rent. In the years that followed, incomes stagnated and declined while rents continued to increase (Figure 12). One could argue that this is a problem of income rather than a problem of housing costs. Still, more and more households in the South Bronx are burdened by higher housing expenditures. The percentage of households in the South Bronx spending more than 30% of their income for rent surpassed the 60% figure in 2012. Moreover, more than 36% of households spend more than half of their income for rent (Figure 10). Although these trends resemble citywide ones, the burden in the South Bronx is higher. Given that many of these households have no significant savings, they are quite vulnerable to housing loss, if something suddenly goes wrong.


Conclusion
Efforts to rebuild the South Bronx, which was the city’s largest contiguous devastated area in postwar New York, began in 1977 and materialized after 1986. The continuity of this rebuilding is staggering given that four successive and very different city administrations insisted in transforming the South Bronx into an area with almost no abandoned housing and empty lots. Since 1980 the South Bronx has gained approximately 34,000 housing units, almost all of which
were built or rehabilitated because of initiatives by the city government combining federal, state, city, and private money. More than this, the affordability of thousands of units was renewed in the 2000s when original subsidies were expiring. This represents a rare case for our era of successful government action, using public-private partnerships to rebuild a vast urban area with housing that is affordable.

Figure 13. Foreign-Born People as a percentage of the entire population. The areas surveyed are the South Bronx, New York City in its entirety, and Queens, the borough with the highest proportion of immigrants. Source: U.S. Census Bureau surveys, 1980-2000, and the Five-Year American Community Survey, 2013.

The population of the South Bronx increased from 463,118 in 1980 to 591,661 in 2010 (Figure 2) with a great percentage of these newcomers being immigrants. In 1980, only 14.2 percent of people living in the South Bronx were foreign-born; by 2013, this figure had more than doubled to 35.5 percent (Figure 13). To be sure this figure is lower than the city average, and smaller compared to Queens, the borough with the largest proportion of immigrants in New York City. However, the number of immigrants has been growing faster in the South Bronx than in most other places (Figure 14). In the 1970s, many immigrants moving to New York avoided the South Bronx, which was losing housing and was experiencing severe socioeconomic problems. This began to change in the 1980s and continued unabated in the decades that followed. Lower rental prices have made the South Bronx increasingly attractive to newcomers and to working class immigrants living in other boroughs. In 2010, the number of foreign-born people living in the South Bronx was 203,887.52
Unlike other distressed urban areas in the United States, the South Bronx was able to reinvent itself because of a large influx of immigrants in the post-fiscal crisis era; still, if not for the new housing, the great majority of these people would not have moved to the South Bronx and in this sense the city government deserves credit for the area’s revitalization. Although so called empty or abandoned spaces are always occupied by people, and informal settlements whose residents included immigrants were formed in many parts of New York in the 1970s and the 1980s, it is doubtful that these spaces would have attracted the thousands of families that have relocated to the South Bronx.

As I have argued elsewhere, urban areas in the United States are becoming increasingly diverse, though this diversity in the South Bronx involves mostly Latinos and blacks (Figure 15). In 1980, Puerto Ricans and African Americans dominated the social makeup of the area. In the decades that followed the population diversified. In terms of Latinos, Dominicans became the largest group numerically in the 2000s overtaking Puerto Ricans. The number of Mexicans has been increasing geometrically since 1980, though the group remains a distant third. Other Latino groups with smaller but sizable numbers include Hondurans, Ecuadorians, Salvadorans, Guatemalans, Cubans, Colombians, Peruvians, Nicaraguans, and Panamanians. According to the 2010 census, 66.1 percent of South Bronx residents were Latino. In terms of groups of African descent excluding Latinos, African Americans still constitute an overwhelming majority.
However, the numbers of people from Subsaharan Africa have been increasing with approximately 35,000 people living in the South Bronx by 2010. Ghanaians comprise the largest group of Subsaharan Africans with Nigerians being a distant second and Senegalese third. There are also about 18,000 West Indians, though their numbers have not grown since 1990 and slightly declined in the 2000s. Jamaicans are the majority of West Indians in the South Bronx while many other countries from the region are also represented. At the same time, the racial and ethnic makeup of the South Bronx shows the extent to which racial segregation is persisting in the United States. A contiguous urban area with approximately 600,000 people has almost no whites or Asians (Figure 15). And while these trends are complex and may have to do with housing policy, immigrant networks, and social geography, the population of the South Bronx is also segregated by class.53

![Racial and Ethnic Groups in the South Bronx, 1980-2010](Figure15.png)

**Figure 15.** Racial and ethnic groups in the South Bronx, 1980-2010 in actual population numbers. Source: U.S. Census Bureau surveys, 1970-2010.

The population of the South Bronx is near the bottom of New York’s income hierarchy. Adjusted for inflation, the annual median household income on the South Bronx has remained almost stable since 1980, reaching the $25,789 figure in 2000, before declining to $24,401 in 2013 (all of these figures in 2013 dollars). The median household income of the South Bronx is significantly lower from that of the Bronx in its entirety. It is also less than half of the median household income of the entire city (Figure 16). In terms of occupation, the percentage of individuals involved in service employment has been rapidly increasing since 1970, reaching the figure of 39.4 percent in 2013 (Figure 17). These jobs are among the lowest paying. Only 15.8 percent of working adults had managerial or professional occupations in 2013, which were usually the best paying. Given the occupation indicators, it is not surprising that there are many more families living in poverty in the South Bronx than in the Bronx and New York City.
Despite the low incomes and high poverty rates, the South Bronx remains a stable area and inexpensive housing contributes significantly toward that goal. To be sure, since 2000, incomes have been slowly declining while rents, despite regulations and subsidies, have been increasing. In 2000, the median gross rent in the South Bronx was $737. By 2013, it had increased by 23.9 percent, reaching the figure of $937 (all figures in 2013 dollars). During the same period, median households incomes declined by 7 percent. The rent increases have occurred for various reasons. The affordable housing of the NHMP is more expensive than previous housing schemes. More than this, rent-stabilized units are subject to periodic rent increases that are expected to cover inflation and higher maintenance charges. Still, these rents remain inexpensive enough to allow low income people to live there, it is just that the trend at the moment appears to be troublesome.
Notes


4 Although the term South Bronx has been used at various times in the history of the borough, its boundaries have shifted and are subject to debate. By the 1970s, the South Bronx generally denoted the area south of Fordham Road and west of Bronx River and this could be seen in official city government documents. This is the area designated as the South Bronx in this article and includes the following 136 Bronx County Census Tracts (2010 U.S. Census): 19, 23, 25, 27.01, 27.02, 31, 33, 35, 37, 39, 41, 43, 51, 53, 59.02, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 83, 85, 87, 89, 93, 115.02, 117, 119, 121.01, 121.02, 123, 125, 127.01, 129.01, 131, 133, 135, 141, 143, 145, 147.01, 147.02, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177.01, 177.02, 179.01, 179.02, 181.01, 181.02, 183.01, 183.02, 185, 189, 193, 195, 197, 199, 201, 205.01, 205.02, 209, 211, 213.01, 213.02, 215.01, 215.02, 217, 219, 221.01, 221.02, 223, 225, 227.01, 227.02, 227.03, 229.01, 229.02, 231, 233.01, 233.02, 235.01, 235.02, 237.02, 237.03, 237.04, 239, 241, 243, 245.01, 245.02, 247, 249, 251, 253, 255, 257, 359, 361, 363, 365.01, 365.02, 367, 369.01, 369.02, 371, 373, 375.04, 379, 381, 383.01, 383.02, 385, 387, 389, 391, 393, 395, and 399.02. It comprises of the following neighborhoods: Mott Haven, Melrose, Hunts Point, Longwood, Morrisania, Crotona, Highbridge, Concourse, Fordham, University Heights, Belmont, and East Tremont.


6 U.S. Census Bureau Surveys, 1970 and 1980. While I use the terms “abandoned” and “vacant” some of the damaged buildings had squatters and other occasional or permanent occupants.


The HPD is separate from the New York City Housing Authority (NYCHA), which is in charge of public housing and the Department of Buildings, which enforces city and state law by inspecting buildings, examining building plans, enforcing zoning regulations, as well as issuing construction permits and certifications of occupancy. The HPD and the Department of Buildings became separate agencies in 1977 when Mayor Beame dismantled a superagency called Housing and Development Administration. This superagency had been created by Mayor John V. Lindsay in the 1960s.

City of New York, Message of the Mayor: Executive Budget, Fiscal Year 1987, 1988, 1989, and 1990 (New York: The City, 1986-1989). There was an assumption, which was originally made by Badillo, that the infrastructure of portions of the South Bronx was in good condition and that the area only needed housing. This was mostly inaccurate and as time went on the existing infrastructure was increasingly becoming obsolete.


Rooney, Organizing the South Bronx, 137-234


49 HPD, *The New Housing Marketplace Plan, 2003-2014: A Decade of Investment in New Yorkers and their Neighborhoods* (New York: The Department, 2013), 5. More such housing was built after 2013 with the total reaching approximately 165,000 units.

50 U.S. Census Bureau Surveys, 2000 and 2010; HPD, *NHMP 160,000 and Counting to 165,000* (New York: The Department, 2013).
